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Generative AI is marketing's new powerhouse—when used right

Article

The trend: Generative AI is revolutionizing marketing and advertising, allowing brands to create personalized and highly engaging content with unprecedented speed.

- From automating text and image creation to scaling video production, companies are leveraging AI to streamline creative processes. Brands like Nike, Coca-Cola, Klarna, and Cadbury have already embraced AI in various forms.

- Klarna's use of AI has saved $10 million annually by cutting down costs related to external agencies and increasing efficiency in content creation. In another example, Coca-Cola's "Create Real Magic" campaign used AI tools to allow consumers to personalize ads, driving strong user engagement.

Yes, but: Challenges remain. Recent controversies, like Toys R Us' AI-generated video backlash, highlight potential risks of AI missteps, reminding marketers of the importance of human oversight.

The potential for AI to produce hallucinations, biased content, or impersonal messaging can undermine the authenticity consumers expect.

Why it matters: AI can be a powerful tool for brands, but it's not without its complexities.

- While it enables rapid scaling of content, such as Nike's use of AI to create 130,000 virtual tennis matches for its Serena Williams campaign, there is still a risk that poorly executed AI can harm brand trust.

- While generative AI offers efficiency, it also requires a delicate balance between automation and the human touch.

- Successful brands like Cadbury have demonstrated how AI-assisted user-generated content can drive engagement when done thoughtfully. In contrast, AI tools, without proper oversight, can result in tone-deaf messaging that alienate audiences.

Our take: Generative AI offers significant advantages for brands looking to innovate and personalize their content at scale. However, the need for human oversight cannot be overstated.

- AI is only as good as the data and prompts it is fed, and getting it wrong can have damaging consequences.

- Brands should prioritize pilot testing high-impact, easy-to-implement use cases, such as A/B testing, user-generated content, and automated text generation, as they offer immediate value with relatively low complexity.

- Training teams to master AI tools like DALL-E or Firefly will help ensure they're used effectively, maximizing their potential without sacrificing quality.

Ultimately, AI should augment, not replace, human creativity. The most successful campaigns combine the strengths of both, delivering personalized and authentic experiences that resonate with today's audiences. Brands should proceed thoughtfully, always ensuring AI aligns with their core values.

Go further: Read the full report, *Generative AI for Ad Creative*.